

**Low Income
Home Energy Assistance Program**

**INDIANA STATEWIDE ASSOCIATION OF
RURAL ELECTRIC COOPERATIVES**

Information Only

IHCDA's MISSION

The Indiana Housing and Community Development Authority (IHCDA) creates housing opportunity, generates and preserves assets, and revitalizes neighborhoods by investing financial and technical resources in the development efforts of qualified partners throughout Indiana.

STRATEGIC PRIORITIES

Ending Homelessness

Comprehensive Community Development

Aging in Place

Individual Self Sufficiency

High Performance Building

DEPARTMENT OF ENERGY PROGRAMS

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UPDATES TO THE STATE PLAN

Benefit Amount

- Increased the price per point from \$15 to \$20
- New Max Benefit Amount: \$385 (North), \$375 (Central), \$370 (South)

Extending the Winter Program

Heating assistance will be extended through September 30, in lieu of summer cooling assistance, if either of the following conditions exists on May 15:

- a significant number of agencies have not obligated their heating assistance funds and have the administrative capacity to continue conducting client eligibility for those clients awaiting heating assistance
- a significant number of agencies have extensive waiting lists of clients who have not been served with heating assistance, and those agencies have the administrative capacity to continue conducting client eligibility for those clients awaiting heating assistance

Summer Cool Benefits

Financially eligible households with at least one elderly individual, disabled individual, or with a child under 6 are eligible for:

- A room air conditioner (if medically necessary); and,
- A payment to their electric utility company not to exceed \$150.

FUNDING IN PREVIEW

Year	Block Grant Funding	Funding Received	Households Served	Avg Benefit Amt
2010	5.1 billion	117.5 million	186,625	\$382
2011	4.5 billion	107.5 million	168,576	\$378
2012	3.47 billion	79.9 million 1.1 million in state funds	134,166 2,307 from state funds	\$233 \$261.82

2013 Allocation Update

- Congress approved a six-month continuing resolution for \$3.47B
- Indiana has received \$70M, or 90% of the total allocation

Leveraging Funds

- Indiana received \$180,300 in leveraging funds toward regular, crisis, deposits, and reconnection fees

LEVERAGING AWARD

- Indiana was awarded \$180,300 in leveraging money.
- These funds will assist with regular, crisis, deposits, and reconnect fees.
- These funds will be important for clients who need to switch the utility to a household member's name.

STATE ENERGY ASSISTANCE PROGRAM

- Energy Assistance was slated to receive \$28 million from the multi-state mortgage settlement.
- IHCD sends the amount of benefit expenditures for the state fiscal year (July 1- June 30). The State Budget Agency estimates how much the clients paid in taxes. Those funds are remitted to IHCD.
- Benefits will be distributed to **homeowners only**, per legislation.
- Benefits will be distributed using the proposed allocation process:
 - Homeowners will receive a benefit amount
 - A percentage will be allocated to weatherization activities.
 - A fund will be set up and allocated to each agency to support leveraging types of activities.

STATE ENERGY ASSISTANCE PROGRAM

- For the first year, Indiana will receive \$3,961,292.47.
- Funds will be distributed to service providers by November 1.
- Each homeowner will receive \$50 toward the primary heating source.
- IHCD has set aside \$300,000 in a leveraging pool to assist with deposits, reconnection fees, and crisis assistance not covered by the federal funds.

SCHEDULE OF EVENTS

<u>Date</u>	<u>Event</u>
September 1	Applications mailed to elderly and disabled clients
October 1	Agencies begin scheduling appointments
November 1	Agencies will send transmittals for mail application
November 5	EAP Program officially begins (Winter begins)
May 17, 2013	EAP Program officially ends
June 3, 2013	Summer Cool Program begins, if funds are available
August 30, 2013	Summer Cool Program ends

MEMORANDA OF UNDERSTANDING

- Each utility must complete a new memorandum of understanding (MOU) every two years.
- The process for updating MOUs is completed by the state office.
- This information should not be sent to the agencies.
- Utilities must include bank information, unless they have elected to receive a paper check.

MORATORIUM PROTECTION

Legal Authority: Indiana Code 8-1-2-121 (became effective in 1983)

Purpose: Prevents the termination of residential utility service to any customer who is eligible for and has applied for the Energy Assistance Program

Protection Period: December 1 to March 15

Client's Qualifications for Protection:

- The customer has submitted a complete application and eligibility is being determined by the local CAA or their subcontractor on or after October 1.
- The customer has furnished proof to the utility provider of his/her application to receive such benefits, or IHCD, the local CAA or the CAA's subcontractor has notified the utility in writing.
- The customer must have active service on December 1

AM I COVERED UTILITY?

If you are a electric or gas utility, including a municipally owned, privately owned, or cooperatively owned utility, then you qualify as a “utility” for the purposes of the moratorium law. The definition of “municipally owned utility” means every utility owned or operated by any city or town in Indiana.

WHO IS A CUSTOMER?

Any person who has agreed to pay for electric or gas services exclusively for residential purposes is a customer. Receipt of an EAP benefit does not affect someone’s status as a customer.

DISCONNECTION PRIOR TO DECEMBER 1

- If a utility has negotiated a payment arrangement with a client who has qualified for EAP and that client violates that payment arrangement before Dec. 1, the utility has the right to disconnect that client prior to December 1, as that client is not yet protected by the moratorium.
- If the same client has active service as of December 1, the utility may not disconnect that client until March 16.

OTHER CIRCUMSTANCES FOR DISCONNECTION

- If a condition dangerous or hazardous to life, physical safety, or property exists.
- Upon order by any court, the IURC, or other duly authorized public authority.
- If fraudulent or unauthorized use of electricity or gas is detected, and the utility has reasonable grounds to believe the affected customer is responsible for such use.
- If the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for such tampering.

BENEFIT REFUSAL

- A utility vendor may refuse an EAP benefit at any time during the heating season.
- Benefit refusal **does not** prevent moratorium protection.
- A client who has submitted a complete application and is being deemed or has been deemed EAP eligible and has active service on December 1 will receive moratorium protection through March 15.

PROTECTION WITHOUT BENEFITS

- Once the household has submitted an application and has been deemed or is being deemed eligible for the EAP benefit, the client is protected under the moratorium, whether a benefit has been received or not.
- Clients deemed eligible for EAP, but do not have a benefit due to insufficient program funds, will be placed in a HOLD status.
- All clients deemed eligible, but in this HOLD status, will be placed on a report. That report will be submitted to the utility vendors to ensure moratorium protection.

MORATORIUM TRANSMITTALS

- The Moratorium transmittals look like regular transmittals.
- They will include all of the information listed on regular transmittals.
- The transmittals will list a \$0 benefit for each customer.
- When funds are available, the agencies will run regular transmittals with the correct benefit amount.

LANDLORD/TENANT AGREEMENTS

- Utilities are required to be in the name of a household member, age 18 or over, unless the lease agreement requires the utilities to be listed in the landlord's name.
- If the utility is listed in the landlord's name, but the client has breached payment agreement with the landlord, the landlord may request service disconnection during the moratorium period. Though the client was deemed eligible for EAP assistance, the landlord is the customer of record on the utility bill.
- If the utility is listed in the client's name, but the landlord has breached the payment agreement, then the client is protected under the moratorium because the client is the customer of record on the utility bill.

BENEFITS AND TRANSMITTALS

- Regular benefits are calculated based on the matrix, plus a regional differential, and a credit of \$50 toward the electric bill
- Crisis benefits are given when the regular benefit is not enough to prevent the crisis event
- To calculate crisis, the agency takes the disconnect amount and subtracts the regular benefit amount; the crisis amount is based on the additional needs to prevent the crisis, up to \$200
- Utilities must begin regular and crisis benefits at the start of the program on November 1 for mail applications and November 5, not the start of moratorium

CORRECTING TRANSMITTALS

- Agencies are required to submit transmittals for payment after the utility sent the signature page
- Any corrections to transmittals should be documented on the transmittal with the signature page
- Agencies should not submit changes over the phone
- If a utility takes changes via email, the utility vendor should make changes to the signature page to document those changes

UNDERPAYMENTS

- The agency or the state has completed a monitoring visit or quality review.
- The client is due additional funds.
- An additional transmittal is submitted to the vendor for the additional funds.

OVERPAYMENT RECOVERY PROCESS

- Contact the client because the client may need a payment arrangement
- Notify the vendor immediately (with the transmittal and remittance)
- Vendor will sign and send transmittal to CAA
- Vendor will send remittance and check to IHCD
- IHCD will closeout the overpayment unless the vendor rejects
- If vendor rejects, IHCD will send an invoice to the agency

DECLINING OVERPAYMENT REQUESTS

If the utility vendors decline the overpayment request because services and/or discounts have been rendered to clients, the agencies will be required to remit the funds back to IHCDA from its private, corporate funds. IHCDA will send a remittance for payment to the CAA.

REFUNDS

Why does a client have a refund?

- The client has moved and left a credit on the account.
- The credit can include a winter benefit as well as summer benefits.

Who distributes the refunds?

- The utility vendor will make a reasonable effort to send the payment to the client.
- If the utility is unable to reach the client, then the vendor should send the payment to IHCD.
- IHCD will hold for three years.

How does the client get the refund from IHCD?

- The client ,or estate if the client has passed, must complete and notarize the refund affidavit.
- Refunds are processed within two weeks of receipt.
- Please note that IHCD will ask the client for a copy of a new utility bill before distributing the refund.

QUESTIONS??

**For additional questions
about CSBG and EAP,
please contact
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